

April 26, 2011

Barry Wood
Director Assessment Division
Department of Local Government Finance
Indiana Government Center North
100 North Senate Avenue N1058(B)
Indianapolis, IN 46204

Dear Barry,

We have completed the ratio study for the 2011 Posey County trending. All sales that we deemed valid were used, including multi-parcel sales and land sales that have since been improved. We also included 2009 sales so that we had a better base of sales to determine whether values needed to increase, decrease, or stay the same in a given neighborhood. After speaking to numerous real estate agents and appraisers, we determined no time adjustment was necessary.

Residential and Ag Homesites

All townships were grouped together to create a better market comparison for vacant land sales. The townships were grouped together because they share similar economic factors. This allowed us to include all sales in a similar area, rather than basing land rates on one or two sales. Rates were changed where necessary. There are increases in parts of the county because there were some properties that were classified as "residential" but had "agricultural" land rates assessed to the parcels. This did cause increases in some areas but created decreases in other areas, like Robinson Township, where the homesite value was high to make up for what should have been assessed as excess acreage instead of the agricultural rates the land was being assessed. Some subdivisions had inequities in the land rates as well, and those have been adjusted, creating equity in those areas. Also, we grouped Bethel, Lynn, Point, and Smith together for the "Improved Residential" portion of the ratio study. These townships were grouped together because they share similar economic factors. Also, trending factors have been added to help bring the median ratios closer to 1.00.

Commercial and Industrial

We grouped all of the Commercial and Industrial properties together. The construction types and sizes for the Commercial and Industrial properties are very similar, so these two categories were grouped together when we were developing trending factors. They are grouped that way on the ratio study as well. We also included 2009 sales so there was a larger pool of sales. The local golf course did not turn over financial information for the past 3 years, so we were unable to use the income approach to value this property. Due to a lack of zoning, we have only one vacant Commercial or Industrial sale. After reviewing this sale and speaking with local appraisers, we feel that our land rates are still correct. Trending factors were added to help bring the median ratios closer to 1.00, if they were needed at all.

Summary

Overall, we saw a wide range of changes to Residential property. We spent a lot of time trying to create equity within the county and valuing property for their current use. There was very little movement of value for Commercial and Industrial properties.

There are very few Commercial and Industrial unimproved land sales, due to the fact that most land available for sale in Posey County is in row crop. That is the reason we only have one vacant land sale for Commercial and Industrial properties.

Sincerely,

Nancy Hoehn